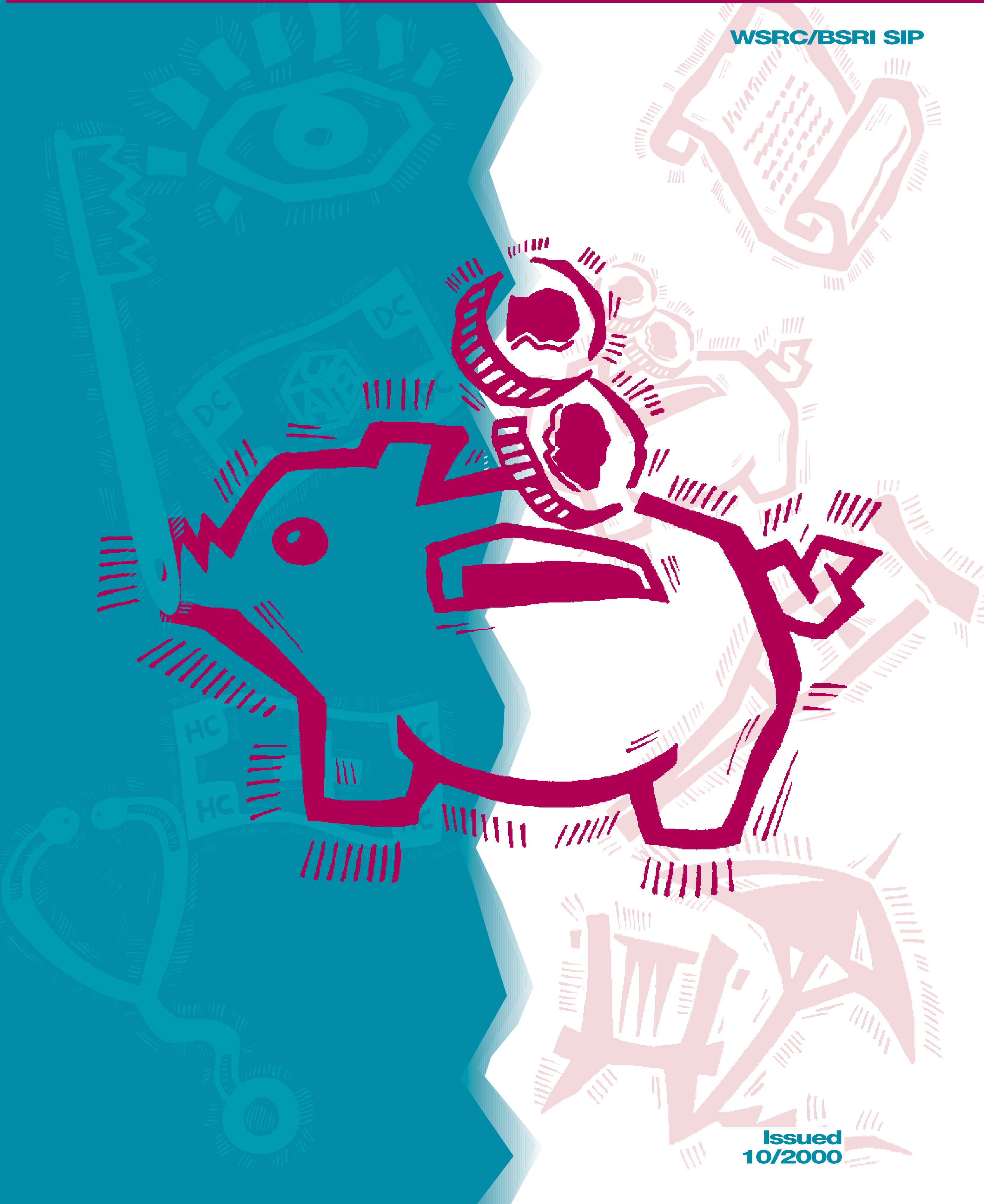
SAVINGS & INVESTMENT PLAN

WSRC/BSRI SIP



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The benefits described in this Summary Plan Description are sponsored by Westinghouse Savannah River Company, LLC and Bechtel Savannah River, Incorporated (WSRC/BSRI), and administered by Westinghouse Savannah River Company, LLC (WSRC). Persons eligible to participate in the WSRC/BSRI Savings and Investment Plan include those as described herein who are connected by employment with the WSRC Team and eligible Westinghouse Safety Management Solutions (WSMS) employees. The WSRC Team includes WSRC, Bechtel Savannah River, Incorporated (BSRI), BWXT, Savannah River Company (BWXT), British Nuclear Fuels Limited, Savannah River Company (BNFL).

The Savings and Investment Plan is a qualified retirement plan and provides a convenient and tax-effective way for you to build financial resources for your future — by saving today. And, when you work at saving for retirement, the WSRC Team and WSMS work with you by adding matching contributions to your savings account. These matching contributions are a second source of retirement income provided to you by the WSRC Team and WSMS over and above the retirement benefits provided to you through the WSRC/BSRI and the WSMS Pension Plans.

Savings and Investment Plan Benefits at a Glance

When Eligible	How Much You Can Contribute	Company Matching Contribution	Key Plan Provisions
Immediately	1% to 16%	50¢ for every $1 up to 6% of pay	• Company matching contributions begin after one year of Eligibility Service • Your contributions can be deducted before or after taxes are withheld • Company matching contributions are vested after three years of Eligibility Service • You determine how all contributions are invested • Investments can be made in one or any combination of the funds available • You are able to take a loan or early withdrawal in certain instances

This book provides a summary of the WSRC/BSRI Savings and Investment Plan (SIP). Please read it carefully and refer to it whenever you have a question about your SIP benefits.

This book is a summary of the official Plan Document for the WSRC/BSRI Savings and Investment Plan, a qualified retirement plan offered by the WSRC Team and WSMS to all eligible employees. Every attempt has been made to describe the Plan as clearly and accurately as possible. If there is a discrepancy between this book and the Plan Document, the Plan Document will govern.

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SIP Service Center And Voice Response System

The SIP Service Center and Voice Response System allow more convenient access to your account. The Service Center is staffed with knowledgeable Representatives who can answer your questions, help you initiate transactions and provide information.

The Voice Response System (VRS) guides you step by step through the process to initiate transactions and receive information about your account. Simply by dialing 1-800-360-2SIP (2747) and using the keypad on your touch-tone telephone, you can obtain general plan information, personal account information, fund performance data and initiate transactions. Most transactions can be completed with a touch-tone phone and do not require you to speak with a Service Representative.

When you call the Service Center, enter your Social Security Number and Personal Identification Number (PIN) code and you' ll be connected instantly to the VRS. If you are not calling from a touch-tone phone, just stay on the line. Your call will be directed automatically to a Service Representative who can answer your questions and help you complete your transactions.

Hours Of Operation

To use the SIP Voice Response System (VRS), you can call seven days a week during the following hours:

Monday - Friday
6:00 a.m. - 11:00 p.m. Eastern Time

Weekends and Holidays*
6:00 a.m. - 9:00 p.m. Eastern Time

To speak to a Service Representative, you can call any weekday (excluding holidays*) from 8:00 a.m. - 5:00 p.m. Eastern Time. You can reach a Service Representative by pressing “0” (zero) after entering your Social Security Number and your PIN.

**Holidays recognized by the SIP Service Center.*

Security Features And Transactions

There are special security features built into the SIP VRS to ensure complete confidentiality. Using your touch-tone phone, you'll enter your Social Security number and your private four-digit Personal Identification Number (PIN), which lets the VRS know that it's you and only you on the line. Only after the system recognizes you can you obtain account information. In addition, all calls to the SIP Service Center Representatives are recorded for your protection.

Your PIN is confidential between you and the Service Center. If your PIN card is lost or stolen, or if you believe someone has learned your PIN, contact the Service Center immediately and speak with a Service Representative. If you have forgotten your PIN, you may request a **confirmation** of your PIN. Because of security concerns your PIN confirmation will be mailed to you at the address shown on your account.

When mailing documents to the SIP Service Center use the following address: WSRC/BSRI SIP Service Center, P. O. Box 291647, Nashville, TN 37229-1647.

The Savings and Investment Plan is just one potential source of your retirement income. Others include the WSRC/BSRI Pension Plan, or WSMS Pension Plan as applicable, Social Security and your own personal savings and investments.

SIP On The Web

In addition to accessing your account through the SIP Service Center and the VRS, there is Internet access. To link to the Web site, bring up your Internet browser and go to https://online.metlife.com/401k/wsrc/. The "s" at the end of http denotes a secure site. The site will give you instructions on how to get a password. This password is not the same as your PIN for the VRS.

Once you receive your password you will be able to access your account and do many SIP transactions. The site will guide you through the available transactions and other features.

The SIP Web site is open 24 hours a day, 7 days a week.

Remember: You may use your work computer to access the SIP Web site. During work hours, employees are expected to limit their time to a reasonable duration. Approval to review your SIP on-line is NOT AUTHORIZATION to connect to other financial or investment web sites.

Participating in the Plan

Eligibility

You are eligible to participate in the Savings and Investment Plan (SIP) immediately (next available payroll following enrollment) if you:

- Are a full service employee of the WSRC Team or WSMS

Enrollment

To begin saving in the Plan, you must complete the enrollment process by the 18th of the month if you want your contributions to start the next month.

Participation in the Plan is voluntary. Upon your employment, you may elect to participate in the Plan and begin making contributions through regular payroll deductions.

An enrollment packet will be provided during initial new employee orientation. If you are eligible, have never enrolled, and wish to enroll, contact the SIP Service Center Voice Response System at 1-800-360-2747. The Voice Response System (VRS) will guide you through the enrollment process. Enrollment must be completed no later than the 18th* of the month in order to begin deductions the following month.

**By the last business day prior to the 18th, if the 18th falls on a weekend or a holiday.*

Enrollment Process

Completing the Enrollment Process is an important first step in plan participation. The process provides the plan with much-needed information for setting up your plan account:

Information About Who You Are

- Your name and Social Security number
- Your date of hire or Adjusted Service Date (ASD)
- Company — The WSRC Team, or WSMS
- Whether you are a full service employee, transferred employee or limited service employee
- How you are paid — monthly or weekly
- Your site and home addresses
- Your site and home telephone numbers

Information About Your Savings Choices

- Your savings rate — the percentage of your pay you want to contribute to your account, from 1% to 16% of pay
- The mix of your contributions — before-tax, after-tax, or both
- Your investment choices — you make a separate choice for your before-tax contributions, your after-tax contributions, and Company matching contributions (your investment choices can be in 1% increments but must total 100%)

Completion of the enrollment process authorizes the WSRC Team or WSMS to deduct contributions from your pay each payroll period.

Naming a Beneficiary

When you enroll in the Plan, you'll also be asked to designate a beneficiary to receive the balance of your account in the event of your death. Generally, you may name any beneficiary that you wish and you may name more than one. Your beneficiary may be anyone including your spouse, your children or grandchildren, or a trust. If you are married, however, federal law protects your spouse's interests by requiring that your spouse be designated as the sole primary beneficiary. In order to name someone else as your primary beneficiary(ies), your spouse must consent in writing by signing a waiver included on the *Beneficiary Form*. Your spouse's consent must also be witnessed by a notary public.

With regard to naming a trust, proposed Treasury Regulation 1.401(a) (9)-1 establishes the criteria for determining whether the designation of a trust as a beneficiary of the SIP account balance is valid for distribution purposes. According to that proposed regulation a trust, itself, cannot be a designated beneficiary, but individuals who are beneficiaries of the trust are treated as designated beneficiaries if the trust meets the following requirements:

- It is valid under state law or would be valid but for the fact that there is no trust corpus
- It is irrevocable

- Its beneficiaries are identifiable under the trust instrument, and
- A copy of the trust instrument is provided to the plan

It is the employee's responsibility to determine that the beneficiary designation of a trust meets the above criteria. If, as of the date of the employee's death, the requirements set forth above are not satisfied, the employee will be treated as not having a designated beneficiary under the SIP.

You may change your beneficiary at any time (as long as you have your spouse's written, notarized consent) by completing a new *Beneficiary Form* and submitting it to the local SIP Office, 730-1B.

Contributions to the Plan

Your benefits from the plan are provided by contributions from you and the Company.

Types of Contributions

There are three types of contributions which can be made to the Plan:

- Before-tax contributions,
- After-tax contributions, and
- Company matching contributions.

When you enroll, separate accounts are opened in your name to receive each type of contribution.

It should be noted here that if you roll over an amount from another employer qualified plan into the SIP, that rollover amount will be placed in your after-tax account. While the accounting process will keep these funds separate from other after-tax contributions and earnings, the total after-tax balance will include the rollover amount. Since the rollover amount is taxable, it will be subject to ordinary income taxes and a possible 10% penalty tax when you withdraw it from your SIP account.

When you make before-tax contributions, you **defer** *paying income taxes on that money until you start to receive distributions from your SIP account.*

Before-Tax Contributions

Before-tax contributions are deducted from your pay and go directly into the Plan **before federal and most state and local income taxes are calculated and withheld from your pay.** In effect, they reduce the amount of your pay subject to current federal and most state and local income taxes. As a result, you pay lower taxes — which means it costs you less to save. However, before-tax contributions are subject to Social Security (FICA) taxes.

As long as your before-tax contributions stay in the Plan, they will not be taxed. However, when you withdraw your before-tax contributions and their investment earnings from the Plan, they will be subject to taxes (unless you are able to directly roll them over to an IRA or other employer qualified plan). You can read more about withdrawals and the taxation of distributions on pages 23 and 37.

After-Tax Contributions

After-tax contributions are deducted from your pay **after** federal, state and local income taxes have been withheld. The **earnings** on your after-tax contributions, however, are tax-deferred (are not taxed) while they remain in the plan. When you start to receive your after-tax contributions, you will only pay taxes on the earnings and not on the amount of your after-tax contributions.

Company Matching Contributions

When you make before-tax contributions, you defer paying income taxes on that money until you start to receive distributions from your SIP account.

The Company matching contribution is provided as an incentive for you to save money for your retirement. The Company matches 50¢ on every $1 you save in the Plan, up to 6% of your pay. The match is money deposited to your account — by the Company — on top of your own contributions. The match is made whether you save on a before-tax or an after-tax basis. If you save both ways, the match is applied first to your before-tax contributions, then to your after-tax contributions. Company matching contributions and their investment earnings are tax-deferred until you withdraw them from the Plan. Company matching contributions begin after you've completed one year of Eligibility Service. Company matching contributions and earnings are vested (you own them) after you've completed 3 years of Eligibility Service.

Before-Tax Savings vs. After-Tax Savings

No matter how you decide to save, the earnings on your savings are not taxed while they are in the SIP. As you have read, however, there are major differences between saving on a before-tax basis and saving on an after-tax basis. This example highlights the differences.

Before-Tax Advantage: An Example

You earn $36,000 a year and you elect to save at a 6% contribution rate ($2,160 a year). You are married, file jointly, and claim four exemptions. You do not itemize deductions on your federal income tax return and your Company pay is your only source of income.

Looking only at federal income taxes to keep things simple, the calculations below illustrate the advantage of before-tax savings.

	If You Save 6% on a Before-Tax Basis	If You Save 6% on an After-Tax Basis
Gross Pay	$ 36,000	$ 36,000
6% Before-Tax Contribution	- 2,160	0
Taxable Pay	$ 33,840	$ 36,000
Federal Income Taxes	- 2,428	- 2,752
6% After-Tax Contribution	0	- 2,160
Take-Home Pay	$ 31,412	$ 31,088
Increase in Take-Home Pay	**$ 324**	

Within the SIP, you and the Company work together to build financial resources for your retirement. For every dollar you save — up to 6% of your pay — the Company adds 50 cents.

As you can see, whether you save on a before-tax basis or after-tax basis, the amount you save is the same ($2,160). But choosing before-tax savings gives you an immediate tax advantage, **more take-home pay** — $324, in this example. This does not include additional tax advantages on state income taxes.

With the advantage of before-tax savings, you can save at a discount. Look at it this way. In the example on page 6, $2,160 goes into your account. But your pay is only reduced by $1,836 ($2,160 - $324 tax savings).

After-Tax Advantage

There are also advantages to after-tax savings. First, the **earnings** on your after-tax contributions accumulate in the Plan on a tax-deferred basis. Second, depending on your situation, you may want to have some money available to you at retirement that is not taxable. By contributing to the Plan on an after-tax basis, you ensure that some of your distribution is tax-free.

An Example: The Company Match...Another Advantage of Saving

Remember the example on page 6? In that example, you were saving 6% of your $36,000 annual pay — or $2,160 a year. Here's what actually goes into your account.

- ***First, calculate the amount of the match:***

$2,160	**Your 6% Contribution**
x .50	**Company Matching Factor**
$1,080	**Amount of Company Matching Contribution**

- ***Second, add the match to your account:***

$2,160	**Your 6% Contribution**
+1,080	**Company Matching Contribution**
$3,240	**TOTAL TO YOUR SAVINGS ACCOUNT**

By contributing $2,160 to the SIP during the year, you can "save" a total of $3,240 (plus earnings). That's a savings advantage.

Limits on Your Savings

When you join the Plan, you decide how much you'd like to save in the Plan. You may contribute 1% to 16% of your monthly pay (see page 4). There are certain limitations required by federal law that affect the amount you can save. These limitations are explained on page 9.

The Plan administrator communicates general notification of changes in federal limits.

Annual Limit on Before-Tax Contributions

Federal law **limits** the amount you can contribute on a **before-tax basis**. This yearly maximum amount — currently $10,500 in 2000 — may be adjusted each year for inflation by the Internal Revenue Service (IRS). If your before-tax contributions reach the limit, your monthly contributions in excess of the limit will be either:

- Invested in your after-tax account, or
- Returned to you in your paycheck.

What happens in this situation depends on the choice you make when you enroll or change your contribution rate. The Enrollment Process contains a section that enables you to make this election. If you fail to make an election, any excess contributions will be **returned to you in your paycheck**.

You will be informed of any changes in this limit by the Savings and Investment Plan Administrator.

Highly Compensated Employees Limit

Federal law also requires the Plan to pass tests to assure a fair mixture of contributions from plan participants at all earnings levels. This non-discrimination testing is done on an annual basis and applies to before-tax and after-tax contributions, and the Company match. To meet these requirements, savings rates of certain employees may be reduced. As a result, monthly limits on savings rates may be set for participants whose gross earnings (in the previous year) exceed the annual federal compensation limit (for 2000, this limit is $85,000). For example, if your compensation is $86,000 in the year 2000, in the year 2001, you will be a Highly Compensated Employee. This compensation limit may be adjusted annually. If you are subject to one of these monthly limits, your contributions will be posted to the opposite account (before-tax account or after-tax account) to the extent possible or returned to you in your paycheck per the choice you made when you enrolled or on your latest rate change election.

Maximum Compensation Limit

The maximum amount of compensation that a qualified plan, like the SIP, may take into account for contribution and benefit purposes is currently set at $170,000 for 2000 by the IRS. Once you reach the maximum compensation limit, your contributions to the Plan will stop for that year.

Changing Your Contributions

You may designate an increase or decrease to the amount you are contributing to your account daily. You can also designate a change to the before-tax and after-tax elections of your contributions daily. However, a change is not effective until the following month. The last change made by the close of business on the 18th of the month will become effective on the first day of the following month. If the 18th falls on a weekend or holiday, then the cut-off date is the last business day prior to the 18th. To make a change, you must contact the SIP Service Center Voice Response System (VRS) at 1-800-360-2SIP (2747) or access your account through the Web site. The VRS and the Web site provide you with the opportunity to review and either accept or cancel your requested contribution rate change. The Service Center will issue a confirmation number for each transaction processed through the Voice Response System (VRS). The Web site will also give you a confirmation number. Refer to that confirmation number for any questions related to that transaction.

A confirmation of your transaction will be mailed to your home address on file within 10 business days. Review the confirmation and report any discrepancies to the SIP Service Center immediately.

You can change your contribution amount, switch between before-tax and after-tax savings, or suspend your contributions by contacting the SIP Service Center at 1-800-360-2SIP (2747) or using the Web Site.

Stopping Your Contributions

You may also stop contributing to the Plan. To do that, you must contact the SIP Service Center at 1-800-360-2SIP (2747) or access your account through the Web site. If you make your change by the close of business on the 18th of the month, your payroll deduction will stop effective on the first day of the following month. If the 18th falls on a weekend or a holiday, then the cut-off date is the last business day prior to the 18th. The VRS and the Web site provide you with the opportunity to review and either accept or cancel your requested contribution rate change. ***Please note that once you accept a change in your contribution amount, it cannot be changed or canceled during that processing period.*** The SIP Service Center will issue a confirmation number for each transaction processed through the Voice Response System (VRS). The Web site will also give you a confirmation number. Refer to that confirmation number for any questions related to that transaction.

A confirmation of your transaction will be mailed to your home address on file within 10 business days. Please review the confirmation and report any discrepancies to the SIP Service Center immediately.

Once your contributions stop, this voluntary suspension of your contributions must remain in effect for a minimum of one month. You may resume your contributions by contacting the SIP Service Center or through the Web site. Please refer to the section titled “Changing Your Contributions” for details.

Rollover Contributions

If you are eligible to receive a payout from a qualified savings plan of a previous employer, you may continue to delay paying taxes on the payout by requesting a rollover contribution to this plan. Only the **taxable** portion of the distribution is eligible for rollover. **The SIP will accept "direct rollovers" from another employer qualified plan or conduit IRA (must contain only money from an employer qualified plan).** It also accepts "regular rollovers."

The rollover deposit must be made within **60 days** of the time **the payment is received** from the other plan. After you call the SIP Service Center to request a rollover you will be sent a rollover package. This package includes instructions on what is needed to complete a rollover and the forms to be completed. You must also choose how your rollover should be invested in the Plan by completing a Rollover Contribution Form. Contact the SIP Service Center at 1-800-360-2SIP (2747) for a rollover package or if you have questions regarding a rollover into the Plan.

You do not need to be an active participant in the Plan in order to make a rollover contribution. However, until you complete the enrollment process, you will not be able to utilize the different plan options. NOTE: The amount rolled over from another qualified plan into the SIP will be placed in your after-tax account. While the accounting process will keep these funds separate from your other after-tax contributions and earnings, the total after-tax balance will include the rollover amount. Since the rollover amount is taxable, it will be subject to ordinary income taxes and a possible 10% penalty tax when you withdraw it from your SIP account.

Your Investment Options

The WSRC/BSRI Savings & Investment Plan is intended to constitute a 404(c) plan under ERISA and the Plan's fiduciaries may therefore be relieved of liability for losses resulting from the participant's investment instructions. Therefore, participants have control over their account and have responsibility for the consequences of their investment decisions.

As a plan participant, you have a choice of twelve funds in which to invest your before-tax contributions, your after-tax contributions, and your Company matching contributions.

The Funds

With the SIP's offering of *"Mix-Your-Own"* and *"Pre-Mixed"* investment options, you can choose to be actively involved in selecting and managing your investment mix, leave the decision to investment experts or a combination of both.

Mix-Your-Own Options

If you feel comfortable creating a diversified investment portfolio on your own, you can choose from a selection of fixed income, stock and aggressive stock funds.

Fixed Income Funds

- **Fixed Income Fund**. This fund emphasizes a relatively steady level of current income, plus preservation of principal. It invests in a number of investment contracts with a diversified, highly rated group of insurance companies and banks. It also invests in other financial instruments that are backed by highly rated securities. This fund may be a good choice if you are investing for the short term or if you are looking for minimum fluctuations and are willing to trade off higher return potential for greater stability.

- **Bond Index Fund.** This fund seeks to match the returns of the Lehman Brothers Aggregate Bond Index.

You decide how your SIP accounts should be invested. Call the SIP Service Center at 1-800-360-2SIP (2747) to enroll or make changes to your account.

Stock Funds

- **Fidelity Puritan Fund**. This fund seeks to provide growth and income by investing in an average combination of 60% stocks and 40% bonds. It may be a good choice for investors who seek some growth through stock investments but want to moderate the effects of stock market fluctuations with bonds.

For more information on the fund, request a fund prospectus and read it carefully before investing. You can obtain one by calling the fund at 1-800-544-8888.

- **S&P 500 Equity Index Fund.** This fund seeks to match the performance of the S&P 500 Index.

- **Fidelity Magellan Fund.** This fund seeks capital appreciation by investing primarily in common stocks. The fund invests in both domestic and foreign issuers and either growth stocks or value stocks or both.

  For more information on the fund, request a fund prospectus and read it carefully before investing. You can obtain one by calling the fund at 1-800-544-8888.

- **Janus Fund**. This fund seeks long-term growth by investing primarily in stocks of large companies. Because large companies usually have long operating and earnings histories, enjoy leadership positions in their industries and pay dividends, their stock prices tend to fluctuate less than those of midsize or small companies. The Janus Fund may be a good choice for investors who are focused on making their money grow and who can tolerate the price fluctuations associated with the pursuit of potentially higher long-term returns.

  For more information on the fund, request a fund prospectus and read it carefully before investing. You can obtain one by calling the fund at 1-800-525-8983.

- **Mid Cap Fund.** This fund seeks significant long-term growth by investing in stocks of midsize companies. Usually still growing rather quickly, midsize companies offer greater growth potential — with greater share price fluctuation — than larger companies do. But since they are more established than small companies, their share prices tend to fluctuate less than do those of small companies. This fund may be a good choice if you are seeking relatively strong growth potential and are willing to tolerate a greater level of price fluctuation.

  For more information on the fund, request a fund prospectus and read it carefully before investing. You can obtain one by calling the fund at 1-800-730-1313.

Aggressive Stock Funds

- **International Equity Fund**. Today, over half of the world's stock market opportunities are found outside the U.S. And in many years, foreign stock markets have outperformed our own. This fund seeks to provide aggressive long-term growth from investments in foreign stocks, and diversification in domestic stock portfolios. As an international investment, it is subject to special risks, including currency fluctuation and political instability. But it also offers the potential for superior long-term growth. This fund may be a good choice if you are seeking aggressive growth potential, can tolerate significant share price volatility in the short term and would like to diversify your domestic stock portfolio outside the United States.

For more information on the fund, request a fund prospectus and read it carefully before investing. You can obtain one by calling the fund at 1-800-730-1313.

- **Small Cap Fund.** This fund offers superior growth potential over the long-term by investing in stocks of smaller companies that are involved in new technologies, products and services. Small companies are typically young, rapidly growing businesses that have tremendous growth potential. But their stocks are relatively high-risk investments, with more share price volatility than both large and midsize companies exhibit. This fund is for investors willing to incur short-term volatility in exchange for higher potential returns.

  For more information on the fund, request a fund prospectus and read it carefully before investing. You can obtain one by calling the fund at 1-800-730-1313.

Pre-Mixed Options

If you don't want to spend a lot of time and effort managing your investment mix, you can choose a "pre-mixed" fund. These pre-diversified funds contain a mix of fixed income (cash investments and bonds) and stock investments selected by professional investment managers who adjust the mixes over time in response to changing market conditions.

Lifecycle Funds

This family of three mutual funds is designed to take the guesswork out of diversifying your retirement savings. All you need to do is decide how long you plan to invest for or how conservative or aggressive you want your investment to be, then select the one Lifecycle Fund that's right for you. A professional investment manager selects and continually monitors a mix of stocks, bonds and cash investments that corresponds to your investment goals and time frame and adjusts that mix in response to changing market conditions.

- **Lifecycle Short Range Fund.** The most conservative of the three funds, the Short Range Fund is oriented toward shorter-term income-producing investments with a typical mix of 55% bonds, 30% cash and 15% stocks. Consider this fund if you are investing your savings for five or fewer years, or if you prefer to minimize your investment risk, but still seek some growth.

- **Lifecycle Mid Range Fund.** This fund seeks to provide a balance of growth and current income over the long term. Its typical mix of investments may include 45% bonds, 35% stocks and 20% cash. This fund is a good choice if you are investing for a medium time frame, or if you seek moderate growth and are comfortable with some price fluctuation.

- **Lifecycle Long Range Fund.** This fund seeks to achieve greater financial rewards by taking a more aggressive approach toward long-term investing. Its mix may fluctuate around a typical position of 55% stocks, 35% bonds, and 10% cash. This fund is a good choice if you are investing for the long term and have the time to withstand short-term market declines, or if you're focused on making your money grow and are willing to incur some short-term volatility in search of higher long-term gains.

For more information on these funds, request a fund prospectus and read it carefully before investing. You can obtain one by calling the fund at 1-800-730-1313.

Making Your Initial Investment Choices

When you enroll in the Plan, you can make investment elections — for your before-tax contributions, for your after-tax contributions and for the Company matching contributions. For each election, you may choose to invest in just one fund, or in any combination of two or more funds — in multiples of 1%. Your total investment allocation *for each account — before-tax, after-tax and Company match* — must equal 100%.

Statement of Your Accounts

You will receive statements four times each year summarizing the activity in your accounts for the preceding quarterly period. For each account your statement will show:

- Your account balance at the beginning of the period,
- Contributions to your account during the period,
- Loans or withdrawals from your account during the period,
- Net investment reallocations during the period,
- Interest, dividends or changes in the value of your investments during the period, and
- Your account balance at the end of the period.

This information, along with the prospectuses and performance information which can be requested for each fund from the SIP Service Center, can help you decide whether your investment choices are meeting your personal financial goals.

Changing Your Investments

You have the flexibility to change the investment mix of **future** contributions and your **existing** account balance daily.

Changing Your Investment Election For Future Contributions

You may change how future contributions from your paycheck are invested daily. However, the last change made prior to the posting of monthly contributions to your account will apply. Any changes may be made in 1% increments and must total 100% for each account (before-tax, after-tax or company-match).

To change your investment election for your future contributions, you must contact the SIP Service Center at 1-800-360-2SIP (2747) or access your account through the Web site. If you make your change by 4:00 p.m. Eastern Time, your change will take effect with that day's closing prices. If you call when the New York Stock Exchange (NYSE) is closed, your request will be effective at the end of the next business day. The VRS and the Web site allow you the opportunity to review and either accept or cancel investment mix changes for your future contributions.

The SIP Service Center will issue a confirmation number for each transaction processed through the Voice Response System (VRS). The Web site will also issue a confirmation number. Refer to that confirmation number for any questions related to that transaction. A confirmation of your transaction will be mailed to your home address on file within 10 business days. Please review the confirmation and report any discrepancies to the SIP Service Center immediately.

Reallocating Existing Balances (Reallocation)

You can reconfigure the investment mix of your existing accounts (before-tax; after-tax; and company matching) among the funds, by means of a reallocation. You are presently permitted to make no more than one reallocation of existing funds each day.

A reallocation of your existing balance means that you redistribute your existing account balance among the funds in which you wish to invest. You indicate your reallocation in 1% increments so that the total in each account (before-tax; after-tax; and company matching) equals 100%. Since this kind of transaction can be rather complex, it is suggested that you prepare for the reallocation before you call the Service Center or access the Web site. Having your investment plan already prepared will enable you to successfully enter your changes on the Voice Response System. To request a reallocation of your existing balance, you must contact the SIP Service Center at 1-800-360-2SIP (2747) or access your account on the Web site. Reallocation requests are accepted daily. Requests entered before 4:00 p.m. Eastern

Time (or when the NYSE closes) will be valued at that day's closing prices. Requests received after the NYSE closes will be valued at the next business day's closing prices. Currently, there are no restrictions on the number of reallocations you may request monthly or annually. However, only one reallocation per day will be accepted. The company reserves the right to limit the number of reallocations accepted monthly or annually or to charge participants for these transactions after adequate notice has been provided to plan participants. *Please note that once your reallocation request is confirmed, it cannot be changed or canceled.* The SIP Service Center will issue a confirmation number for each transaction processed through the Voice Response System (VRS). The Web site will also issue a confirmation number. Refer to that confirmation number for any questions related to that transaction.

A confirmation of your transaction will be mailed to your home address on file within 10 business days. Please review the confirmation and report any discrepancies to the SIP Service Center immediately.

Making Your Account Grow: An Example

While no one can predict how the funds will perform, here is an example to show how…

- Your contributions to the Plan,
- Company matching contributions, and
- Tax-deferred growth

...could pay off in the long run. The following example compares the growth of two investments: one made to the SIP, the other made outside the Plan on your own.

Assume your annual pay is $36,000 and you decide to save 6% of that amount — $2,160 a year — on a before-tax basis. The Company matching contribution of 50 cents on the dollar for the first 6% of pay you save adds $1,080 to your account.

As the chart on the next page illustrates, your money grows much faster in the SIP — through the dual advantage of Company matching contributions and tax-deferred earnings.

How Your Money Grows... **(Based on 8% Annual Investment Return)**

	If You Save* on Your Own	If You Save* on a Before-Tax Basis Under the SIP
After 10 Years	$ 32,518	$ 48,775
After 20 Years	$ 102,724	$ 154,080
After 30 Years	$ 254,293	$ 381,425

* The example does not take into account taxation of your accounts. Keep in mind that the two accounts are taxed differently, which affects the actual after-tax dollars you receive **and** when you pay taxes. When you save outside the SIP, the earnings on your investment are taxed as current income. So, you pay taxes on your earnings every year as part of your federal income tax return. Your before-tax contributions to the SIP, as well as the Company matching contributions and the earnings on the contributions, are tax-deferred until distributed. (Read more about the taxation of your distribution on page 37.)

This example is designed to show how your account could grow over time. Your own account growth will depend on a wide variety of factors, including any increases in pay over the years, your savings rate, the funds' actual investment performance, and whether you withdraw or borrow any funds during your participation in the SIP.

Vesting

If you leave the WSRC Team, or WSMS after you've been with the WSRC Team, or WSMS for at least three years, you will own all the money that's in your SIP account.

Vesting means you own the money in your accounts. You are always 100% vested in your own contributions and the earnings on your contributions. You become 100% vested in Company matching contributions — and the earnings on those contributions — after you've completed three years of Eligibility Service with the WSRC Team or WSMS. For example, if you were hired as a full service employee on 8/15/96, you became 100% vested in Company matching contributions on 8/15/99. If you leave the WSRC Team, or WSMS before you've completed three years of Eligibility Service, you will forfeit the nonvested Company matching contributions and the associated earnings.

Loans From Your SIP Account

When you borrow from the plan, you borrow directly from your own SIP accounts.

While the SIP is a qualified retirement plan and is designed primarily to encourage long-term savings for your retirement, you do have access to your funds during your employment with the WSRC Team or WSMS if an unexpected financial need arises before you retire. You can have two loans outstanding at one time, but can only apply for one loan per month.

Amounts Available to Borrow

The maximum amount that you may borrow from your SIP accounts (as mandated by the IRS) is the lesser of:

- 50% of your vested account balance, or
- $50,000 (this maximum may be affected if you have an outstanding loan or have had one in the past 12 months).

The minimum amount that you may borrow is $1,000. All loans must be in increments of $100. Therefore, in order for you to obtain a loan from your SIP account, your vested account balance must be at least $2,000.

If you transferred to the WSRC Team or WSMS from an Affiliated Entity, and you have an outstanding loan from the Affiliated Entity's qualified plan, the maximum amount you may borrow from your SIP account may be further reduced by the amount of that outstanding loan.

Your loan reduces your investment fund balances on a pro-rata basis. Loan repayments will be applied to the investment funds indicated on your contribution investment direction selections.

If you are interested in a loan from your account, you must contact the SIP Service Center at 1-800-360-2SIP (2747) or access your account through the Web site to receive information on the maximum amount you may borrow.

Loan Terms

The term, or length, means how long you are going to take to repay the loan. You can take from **12 to 60 months to repay your loan**. However, if the purpose of the loan is to purchase or build your primary residence, the loan term can be extended for up to ten years (120 months). You will be required to provide supporting documentation, such as a *Good Faith Estimate* or *Sales Contract* to the SIP Service Center when you are requesting a residential loan repayment term of more than 60 months. ***Please note that you may only have one residential loan outstanding at a time and the loan must be used for the purchase of your primary residence. You may request a residential loan only through the SIP Service Center.***

When you request a loan, you tell VRS how much you wish to borrow and for how long. You also authorize payroll deductions as the method of loan repayment.

Applying for a Loan

To apply for a loan, you must contact the SIP Service Center at 1-800-360-2SIP (2747) or access the Web site. Unlike ordinary loans, personal financial information is not required. The information you will be asked to provide to the SIP Service Center is:

- Whether you have an outstanding loan from another Affiliated Entity's qualified plan,
- Whether you want a personal loan (loan term is between 12 and 60 months) or a residential loan (loan term is between 61 and 120 months),
- The amount of the loan,
- The term of your loan.

Your loan amount is taken from contribution amounts in the following order:

1. ***Vested Company Matching Contributions — and their earnings — made in the last two years.***
2. ***Matched After-Tax Contributions — and their earnings — made in the last two years.***
3. ***Vested Company Matching Contributions — and their earnings — held for more than two years.***
4. ***Matched After-Tax Contributions — and their earnings — held for more than two years.***
5. ***Unmatched After-Tax Contributions and their earnings.***
6. ***Matched Before-Tax Contributions made in the last two years and their earnings.***
7. ***Matched Before-Tax Contributions held for more than two years and their earnings.***
8. ***Unmatched Before-Tax Contributions and their earnings.***

The loan amount is taken pro rata from the investment funds within each of the above accounts.

Following your entries, the Voice Response System (VRS) or the Web site will tell you the amount of your monthly payments. You may then apply for that loan or request the monthly payments for a different loan amount. The VRS or the Web site allows you the opportunity to review and either accept or cancel your Loan. ***Please note that once you accept a loan, it cannot be changed or canceled.***

All loan requests received by 4:00 p.m. Eastern Time of the last business day of the week will be included in the current week's processing. Checks will typically be issued two business days later. If you are applying for a residential loan, the proper documentation must be received and approved in order to be processed. The SIP Service Center will issue a confirmation number for each transaction processed through the Voice Response System (VRS). The Web site will also issue a confirmation number. Refer to that *confirmation number* for any questions related to that transaction.

While you are repaying your loan, the payroll deduction for your loan payment is a separate deduction from your SIP contribution.

An advice will be attached to your check as confirmation of your transaction. Please review the advice and report any discrepancies to the SIP Service Center immediately.

If you have any questions about loans, contact the SIP Service Center and speak with a Service Representative.

Your Loan Interest Rate

The loan interest rate is set quarterly based on the prime interest rate published in the Wall Street Journal on the last day of the quarter + 1%. Once set, your loan interest rate will remain fixed for the term of your loan.

Repaying Your Loan

One advantage of taking a loan from the Plan is that when you repay your loan, you pay yourself back — **with interest**. That means all of the money you repay is put back into your own savings accounts.

You repay your loan through payroll deductions. The amount of your deduction depends on the amount of the loan, the loan term (length), and the interest rate charged. Repayments of principal and interest are reinvested in your SIP accounts according to *your current investment elections.* **You may request to prepay your total outstanding loan balance in a single lump-sum payment, without penalty** at any time after at least two monthly payments have been deducted from your pay. Partial payments — other than normal payroll deductions — are not permitted.

If you wish to prepay your total outstanding loan balance, contact the SIP Service Center and speak with a Service Representative. A coupon with the amount of your outstanding loan balance will be mailed to your home address on file. If you make your loan payoff request and mail your coupon and **certified check, cashier's check or money order** for the amount shown on the coupon so that it **reaches the Service Center by the 5th* of the month**, then your payroll deductions will stop at the beginning of the following month.

**If the 5th of the month falls on a weekend or holiday, then the cut-off date to receive loan payoff checks is the last business day prior to the 5th.*

If You Experience a Financial Hardship

If you have a financial hardship, the plan permits you to suspend principal payments on your loan for up to six months.

If, during the time you are repaying a loan, you experience a financial hardship (see page 26 for types of financial hardships), you may request to suspend your loan repayment by submitting a Hardship Withdrawal Application, along with supporting documentation of your hardship, to the SIP Service Center. If approved, deductions for the **principal** portion of your repayment will be suspended for up to six months. However, **interest payments** will continue to be deducted during the suspension period. At the end of the six-month period, deductions for your full loan repayment will resume.

Once your hardship suspension period ends, **the total suspended principal amount** must be paid to your account in a single lump-sum payment within 90 days. If the suspended principal amount is not repaid, your entire outstanding loan balance will be defaulted, classified as a withdrawal and will be subject to the rules, limitations and tax consequences that apply to withdrawals (see pages 23 and 37). You may not be eligible to initiate a new loan until the defaulted loan has been brought to a current status.

Direct Payment of Your Loan

While payroll deduction is the normal method of loan repayment, under certain circumstances, payroll deduction is not possible. For instance:

- You may be transferred to an Affiliated Entity,
- You may be granted a leave of absence without pay,
- You may retire **(see "When You Retire")** and your pension check is not sufficient to cover a loan payment deduction, or
- Your salary may be changed so that a full loan payment cannot be deducted.

In any of these circumstances, you may be permitted to make direct payments to continue the repayment of your loan. To request direct payments, you must contact the SIP Service Center at 1-800-360-2SIP (2747) and speak with a Service Representative.

Please note that if you miss one full monthly payment your loan will be considered delinquent. You may not be eligible to initiate a new loan until the delinquent loan has been brought to a current status. If you miss three full monthly payments, your loan will be defaulted. You may not be allowed to take any further loans from the SIP. In addition, the unpaid portion of your loan will be treated as a taxable withdrawal and may be subject to taxes and penalties.

If You Default on a Loan

You will be notified by the SIP Service Center if your loan is declared in default (failure to repay). If you fail to repay a loan, your unpaid balance will be classified as a withdrawal, unless the loan is reinstated. (This requires full repayment of the defaulted loan.) When the loan is classified as a withdrawal, any taxable money remaining in your loan balance will be subject to similar rules, limitations and tax consequences as a withdrawal.

In some instances, if you fail to repay your loan, your participation in the Plan could end, **plus** Company matching contributions may be suspended for at least six months. In addition, if you are not yet vested, Company contributions could be forfeited (lost) if your withdrawal involves Company matching money.

Withdrawals During Employment

Withdrawal requests are processed at the end of the last business day of the week.

While the primary purpose of the SIP is to help you prepare for a financially secure retirement, you also have access to money in your accounts through the Plan's withdrawal provisions. Because of the many tax advantages associated with this type of savings plan, there are some limitations on withdrawals. But, generally, funds are available to you if you need them. This section explains how and when you can withdraw from your accounts.

Amounts Available for Withdrawal

The amount you can withdraw depends on what type of contributions are in your account. The **full** amount of any after-tax contributions you make to the Plan and their earnings, along with the **vested** portion of your Company matching contributions and their earnings, are available for withdrawal at any time. Because of the favorable tax treatment of before-tax contributions, your before-tax contributions and the earnings on that money are not available for withdrawal except under two circumstances:

- If you are at least age 59-1/2, or
- You experience an approved financial hardship. (Note: Earnings on before-tax contributions, credited to your accounts after December 31, 1988, can only be withdrawn after age 59-1/2.)

All withdrawals are cash (check) withdrawals.

Withdrawing After-Tax and Company Matching Contributions

When you make a rollover eligible withdrawal or receive a distribution, the Company is required — by federal law — to automatically withhold 20% of the taxable portion (before-tax contributions and their earnings, earnings on after-tax contributions, and the Company match and earnings) for federal income taxes unless the amount is directly rolled over to another employer's qualified plan or an Individual Retirement Account (IRA). If you wish to make a direct rollover, speak with a SIP Service Center Representative for information.

Each year you can request up to three withdrawals from your after-tax and Company matching accounts. To determine the amount you have available for withdrawal and to request a withdrawal, you must contact the SIP Service Center at 1-800-360-2SIP (2747) or access the Web site. Both the Voice Response System (VRS) and the Web site are designed to provide details you will need to successfully request your withdrawal. Tax consequences of a withdrawal are only available on the VRS.

After requesting your withdrawal, the VRS and the Web site allow you the opportunity to review and either accept or cancel your withdrawal. ***Please note that once you accept a withdrawal, it cannot be changed or canceled.***

All withdrawal requests received by the last business day of the week will be included in the current week's processing. The SIP Service Center will issue a confirmation number for each transaction processed through the Voice Response System (VRS). The Web site will also issue a confirmation number. Refer to that confirmation number for any questions related to that transaction.

Withdrawal checks are typically mailed two business days following the week's processing . Advices are attached to the checks confirming your withdrawal. Please review the advices and report any discrepancies to the SIP Service Center immediately.

The Order of Withdrawal

A withdrawal from your SIP accounts will be taken in the following order:

1. **Unmatched after-tax contributions and their earnings.**
2. **Rollover contributions and their earnings.**
3. **Matched after-tax contributions held for more than two years and their earnings.**
4. **Vested Company matching contributions held for more than two years and their earnings.**
5. **Matched after-tax contributions made during the last two years and their earnings.**
6. **Vested Company matching contributions made during the last two years and their earnings.**

The withdrawal is taken pro rata from the investment funds within each of the above accounts.

Any portion of your withdrawal which is **taxable** (Company matching account and all earnings on after-tax contributions) will be subject to federal income, state income and local income taxes (see pages 37 through 40). A withdrawal of post 1986 after-tax contributions will include some taxable earnings.

Withdrawing Before-Tax Contributions

Once you reach age 59-1/2, you are entitled to withdraw before-tax contributions and earnings for any reason. To request a withdrawal, you must contact the SIP Service Center at 1-800-360-2SIP (2747) or access your account through the Web site. You will be able to determine the amount you have available for withdrawal and request a withdrawal.

If any amounts are available to you from your after-tax account or your Company matching account, **those funds will be withdrawn first, in the order outlined previously**. Once those funds have been depleted, the withdrawal amount will be taken from your before-tax account in the following order:

1. Unmatched before-tax contributions and their earnings.
2. Matched before-tax contributions held for more than two years and their earnings.
3. Matched before-tax contributions made during the last two years and their earnings.

The withdrawal is taken pro-rata from the investment funds within each of the above accounts.

Any portion of the withdrawal which is attributed to your before-tax contributions, Company match contributions, and earnings on your after-tax, before-tax, and Company matching accounts, will be subject to federal income, state income and local income taxes (see pages 37 through 40).

By using your touch-tone phone, the Voice Response System (VRS) will lead you through the steps, including tax consequences. Accessing the Web site will lead you through all of the steps excluding tax consequences.

After requesting your withdrawal, the VRS or the Web site allows you the opportunity to review and either accept or cancel your withdrawal. ***Please note that once you accept a withdrawal, it cannot be changed or canceled.***

All withdrawal requests received by the close of the last business day of the week will be included in the current week's processing. Checks are generally issued two business days later. The SIP Service Center and the Web site will issue a *confirmation number* for each transaction processed through the Voice Response System (VRS) or the Web site. Refer to that confirmation number for any questions related to that transaction.

Checks will have advices attached to them as confirmation of your transaction. Please review the advices and report any discrepancies to the SIP Service Center immediately.

Financial Hardship Withdrawals

If you are under age 59-1/2, you may withdraw your before-tax contributions **only** in the event of a **financial hardship**. A financial hardship means you have an immediate and heavy financial need for money that is not available from other sources.

There are federal guidelines that must be followed by the SIP Administrator to determine when a financial hardship exists. Examples are:

- Purchase of your principal residence,
- Payment of tuition for post-secondary education for 12 months for you, your spouse and/or dependents,
- Prevention of eviction from or foreclosure of a mortgage on your principal residence, or
- Medical expenses not covered by insurance.

Hardship withdrawals must be approved by the Plan Administrator or its designee. To request a hardship withdrawal, you must contact the SIP Service Center at 1-800-360-2SIP (2747). You will be able to determine the amount you have available for withdrawal and request a Hardship Withdrawal Application by using your touch-tone phone. The Voice Response System (VRS) will lead you through all the steps, including tax consequences. Hardship withdrawals are not available through the Web site.

After requesting your withdrawal, a Hardship Withdrawal Application will be mailed to your home address on file. You should complete and return the application along with the required documentation within 30 days from the date you make your request. The required documentation must show proof of your financial hardship and show that you have no other resources available to meet your financial need. Approval or denial of your request will be determined following the review of your documentation. In order to adequately review hardship documentation, the time needed for final approval or denial may be lengthened.

Once your hardship withdrawal request is approved your account will be valued at the close of the last business day of the week. Checks are usually mailed two business days later. For example, if your withdrawal request is approved on Tuesday, your account will be valued as of 4:00 p.m. eastern time (or NYSE closing if earlier) on Friday (or the last business day of the week) and your check will typically be mailed on Tuesday (or two business days) following valuation of the account.

Hardship withdrawals are subject to the same suspension and forfeiture rules as other withdrawals.

If your request for a financial hardship withdrawal is approved, you may withdraw up to the full amount of your before-tax contributions and the earnings on before-tax contributions credited to your account before January 1, 1989. Earnings on before-tax contributions credited to your account after December 31, 1988 are not permitted to be withdrawn for financial hardship. In any case, you can only withdraw enough money to satisfy the financial hardship.

Before-tax contributions and their earnings withdrawn under a financial hardship may not be repaid to your account and are subject to federal income, state income, local income taxes **and early withdrawal tax penalties.****(see pages 37 through 40)**

Hardship withdrawals do not count toward the three withdrawal maximum in a calendar year.

Suspensions and Forfeitures

Employees with less than 5 years of Eligibility Service who make a withdrawal, may continue contributing to the SIP immediately after the withdrawal. However, Company matching contributions on new contributions will be suspended for **six months** following the withdrawal if the withdrawal consists of any of the following amounts:

- Your matched before-tax contributions made during the last two years,
- Your matched after-tax contributions made during the last two years,
- Your vested Company matching contributions made during the last two years, or
- The earnings on any of the above.

In addition, if the employee is not vested in the Plan, and a withdrawal of some or all of matched before-tax or after-tax contributions is completed, you will **forfeit** — or lose — Company matching contributions on the amounts withdrawn. It may be possible to buy back some of these forfeited contributions under special conditions. (See “Buy-Back of Forfeited Company Contributions” on page 40.)

The above does not apply to employees with 5 or more years of Eligibility Service.

Plan Payments After Your Employment Ends

You may request a total distribution of your accounts if your employment ends. However, you will forfeit Company matching contributions in your account if you:

- Are not vested, and
- Your employment ends for any reason other than retirement, death, lack of work, Total and Permanent Disability or termination of the SIP.

However, if you are rehired, you may "buy back" any forfeited Company contributions by repaying the entire amount within a certain time limit.

To request a total distribution of your accounts, you must contact the SIP Service Center at 1-800-360-2SIP (2747). By using your touch-tone phone, the Voice Response System (VRS) will guide you through all the steps, including tax consequences.

Rollover Eligible Withdrawal

When you make a rollover eligible **withdrawal** or **distribution**, the SIP is required — by federal law — to automatically withhold 20% of the taxable portion for federal income taxes unless the amount is directly rolled over to another employer's qualified plan or an Individual Retirement Account (IRA).

If you wish to make a direct rollover, contact the SIP Service Center at 1-800-360-2SIP (2747) and speak with a Service Representative.

Your distribution will be based upon the value of your account at the end of the last business day of the week in which your request for a distribution is received.

After requesting your distribution, the VRS will allow you the opportunity to review and either accept or cancel your total distribution. ***Please note that once you accept a total distribution, it cannot be changed or canceled.***

All total distribution requests received by the close of the last business day of the week will be included in the current week's processing. Checks will typically be issued 2 business days later. The SIP Service Center will issue a confirmation number for each transaction processed through the Voice Response System (VRS). Refer to that *confirmation number* for any questions related to that transaction.

Under certain circumstances, you are permitted to defer receipt of your distribution, or elect other forms of payment. They are described in the following sections.

If You Transfer to an Affiliated Entity

When you transfer to an Affiliated Entity, you can no longer contribute to the SIP, but you still have access to your account for loans, withdrawals and fund reallocations.

If you transfer from the WSRC Team, or WSMS to another Affiliated Entity, your participation for plan purposes will continue. You will not be able to make contributions to the SIP once you are transferred, but in all other respects you will continue as an active plan participant. That means you may...

- Request a loan from your accounts,
- Make up to three withdrawals a year,
- Request a financial hardship withdrawal, and
- Reallocate your money among the investment funds

...by contacting the SIP Service Center at 1-800-360-2SIP (2747) or through the Web site (except a hardship withdrawal).

To qualify as a transferred employee, there must be no break in service between the time you were a full service employee of the WSRC Team or WSMS and when you become employed at the Affiliated Entity.

When Your Employment Terminates

If you terminate your employment with the WSRC Team, or WSMS — whether voluntarily or involuntarily (except reduction in force, death and Total and Permanent Disability) — you forfeit (lose) the Company matching contributions in your account if you are not yet vested. Remember, you are always vested in your contributions and earnings, but you must have three years of Eligibility Service to be vested in the Company match. When terminating employment, the following rules apply concerning your account balance:

- **$5,000 or less —** you must receive a full distribution of your vested account balance upon your termination. **This rule does not include retirees. Retirees may defer their account regardless of the balance.**
- **more than $5,000 —** you may choose to leave the money in your account, or receive a full distribution of your SIP account upon termination.

If you are receiving your total account balance, you can defer paying taxes by requesting a direct rollover of the taxable portion of your account balance into an IRA or other employer qualified plan (see page 39). Total distribution of your account is only done on a cash (check) basis.

If you leave your money in the SIP after termination, no further contributions by you or the Company are permitted. Your continued participation in the Plan will not count toward participation credit in the SIP for purposes of ten-year forward averaging (see page 39), but you will continue to have the advantage of your savings growing on a tax-deferred basis, until you elect to withdraw your money.

If you have a loan(s) at the time you terminate (except retirement, see "When You Retire"), you must either pay off the loan in a lump sum or it will default. A defaulted loan will be treated as a taxable withdrawal and may be subject to taxes and penalties.

In addition you may continue to reallocate your existing account balances among the 12 investment funds daily.

Once you have elected to defer your distribution, you may later elect a **total distribution** at any time. If you have not elected to take a distribution by April 1st following the year in which you reach age 70-1/2, your entire account balance will automatically be distributed to you.

If You Are Re-Employed

If you leave the WSRC Team or WSMS after you were eligible to participate in the SIP and are later re-employed, you will be immediately eligible to participate in the Plan on your first day back at work. In addition, your prior service may be restored for vesting purposes. So if, for example, you left the WSRC Team or WSMS after you had two years of Eligibility Service and are re-employed, on your return you will need only one additional year of Eligibility Service to become vested.

When You Retire

When you retire under the qualifications of the WSRC/BSRI Pension Plan or the WSMS Pension Plan, (age 50 and 15 years of Eligibility Service, the minimum for an Early Retirement), the SIP provides a number of options. You may elect to:

- Defer distribution of your account until a later date,
- Receive your distribution in installment payments,
- Receive a total distribution payment of your account balance.
- Roll over account balance from another qualified employer plan to this plan.

Deferring Your Payments

At the time of your retirement, you may not need to use the money from your SIP account. In that case, you can continue to defer taxation by deferring receipt of your distribution. You may defer payment up to April 1st of the year following the year in which you reach age 70-1/2. However, you must start receiving a minimum annual distribution at that time. You will be contacted at the time you must start receiving a minimum annual distribution. You must contact the SIP Service Center to make arrangements to start receiving a minimum annual withdrawal distribution.

While your money remains in the Plan, you continue to have access to your account. You may request up to three withdrawals a year and make daily investment reallocations. However, you cannot request a SIP loan after retirement.

If you have an outstanding SIP loan at the time you retire, you may:

- Prepay the loan in a single lump-sum payment, or
- Authorize regular pension check deduction to continue making loan payments, or
- Make direct payments if your pension check is not sufficient to make loan payments, or
- Let your loan(s) default (taxes and penalties may apply).

If you wish to prepay your loan or need to make direct payments, you must contact the SIP Service Center at 1-800-360-2SIP (2747) and speak with a Service Representative.

You can elect a lump sum payment at any time even after your installment payments have begun.

Your Installment Options

There are two installment options available when you qualify for retirement. These options are also available to you later on, if you elect to defer payment when you retire. You may elect a **fixed number of installments** or **lifetime installments.** However, you may not switch from one installment option to the other once your installment payments begin. With either option, you may elect at any time to receive the remainder of your account in a single cash payment (Total Distribution, see page 33).

Installment payments are taxed in the year you receive them. Each installment payment is treated as a pro-rata recovery of your after-tax contributions (non-taxable) and earnings, before-tax contributions and earnings, and Company matching contributions and earnings.

- **Fixed number of installments.** Under this option, you may request that the value of your accounts be paid to you in monthly installments. The maximum number of monthly installments you may elect is based on your age when you retire, or on your age and the age of your primary beneficiary at the time you retire. No fewer than 24 installments may be elected. Payments are recalculated each month. If your spouse is the only primary beneficiary, he or she may continue to receive the remaining installments after your death. (For more information on what happens to your remaining account balance after your death, refer to pages 35 and 36.)
- **Lifetime installment payments.** Under this option, the value of your accounts is paid in monthly installments based on your life expectancy, or the life expectancies of you and your primary beneficiary. Payments are recalculated each month. Payments continue for your lifetime. If your spouse is the only beneficiary, and if your installment amounts were based on your joint life expectancies, your spouse may continue receiving installments for his or her lifetime after your death. (For more information about what happens to your remaining account balance after your death, refer to pages 35 and 36.)

To request installment payments, you must contact the SIP Service Center at 1-800-360-2SIP (2747) and speak with a Service Representative. You will be able to determine the amount of your installment payment and have the opportunity to ask questions. ***Please note that once you have accepted the installment payment option, there are restrictions placed on future available changes. If you want more information, please contact the SIP Service Center at 1-800-360-2747 and speak with a Service Representative.***

Installment payments begin the following month after the request has been made.

Even if you have elected to receive installment payments, you may still request up to three withdrawals per year, make fund reallocations and continue paying on an outstanding loan by having the deductions taken from your pension check.

If You Are Re-Employed After Installments Begin

If you are re-employed as a full-service employee after monthly installments have begun, your installments will stop. When you again retire, your plan balance will include any additional amounts contributed to your accounts while you were employed. At that time, you may again choose one of the payment options permitted by the Plan.

Total Distribution Payment

A total distribution payment is available to you at any time after you retire. Even if you are receiving installment payments, you can elect to have the balance of your account distributed in one total distribution at any time. If you do not elect a direct rollover of the taxable portion of your distribution, the amount of the check you receive will equal your total account balances less the required 20% federal income tax withholding on the taxable portion. After-tax contributions included in your distribution will not be subject to federal income tax withholding. A total distribution payment is taxable in the year you receive it if the taxable portion was not directly rolled into an IRA or other employer qualified plan. However, the total distribution payment may be eligible for favorable tax treatment (ten year forward averaging), see page 39. Your distribution will be based upon the value of your account on the last business day of the week in which your request for a distribution is received.

To determine the amount you have available for distribution and to request a distribution, you must contact the SIP Service Center at 1-800-360-2SIP (2747) and speak with a Service Representative. The Voice Response System (VRS) is designed to provide the details you will need including tax consequences to successfully request your distribution.

Please note that once you accept a distribution, it cannot be changed or canceled.

The SIP Service Center will issue a confirmation number for each transaction requested through the Voice Response System (VRS). Refer to that confirmation number for any questions related to that transaction.

Accounts are valued as of 4:00 p.m. Eastern Time (or NYSE close if earlier) of the last business day of the week. Checks are generally issued two business days later. For example, if your distribution is requested by Friday, your account will be valued as of 4:00 p.m. eastern time Friday and your check will generally be mailed to you the following Tuesday.

An advice will be attached to your check as confirmation of this transaction. Please review your advice and report any discrepancies to the Service Center immediately.

Coverage Continuation in Special Situations

If You Qualify for Total and Permanent Disability Benefits

If you are approved for Total and Permanent Disability under the WSRC/BSRI Disability Income Plan or applicable WSMS Plan and accept the approval, you have the same options as a terminated participant (see "When Your Employment Terminates" on page 29).

If You Qualify for an Incapability Retirement

If you are approved for and accept an Incapability Retirement, you have the same options as a retired participant (see "When You Retire" on page 30).

In the Event of Your Death

If you do not have a surviving spouse — and no beneficiary has been named — distribution is made to your estate.

If you die before receiving your entire account balance, your designated beneficiary(ies) will be eligible to receive the balance in your account. Federal law requires that if you are married, your spouse be designated as sole beneficiary of your plan assets upon your death unless:

- Your spouse has consented in writing to your naming another beneficiary (the law requires that the consent be witnessed by a notary public).

If you were repaying a loan through deductions from your regular paycheck or pension check, it is possible for your spousal beneficiary to repay any remaining loan balance with a single lump-sum payment. Otherwise the outstanding loan(s) balance will be satisfied as a deemed withdrawal (see section describing the taxability of distributions on page 37).

When Your Spouse is Your Primary Beneficiary

A spousal beneficiary of an active employee or retiree has many of the same rights under the SIP as you had while you were employed or if you were retired. If your spouse chooses to defer a distribution from your account, he/she will be assigned a Personal Identification Number in order to use the SIP Service Center with a deferred account. Your spouse will be able to:

- Make three withdrawals per year (see page 24),
- Reallocate balances among funds (see page 16), and
- Repay outstanding loan balances with a single lump-sum payment.

Remember, at any time, your spouse can request a lump sum payment if you or your spouse elected to defer distribution of your account.

Additionally, your spouse can defer a distribution up to the date you would have reached age 70-1/2. At that time, your spouse will be required to take a minimum annual distribution to avoid paying a 50% excise tax (see page 38).

If your spouse wishes to process a transaction, he/she should contact the SIP Service Center at 1-800-360-2SIP (2747) or access the account through the Web site.

If your death occurs after you began receiving installment payments under the "fixed number of installments" option (see page 32), your spouse may continue to receive the remaining installments after your death, may stop installment payments, or may elect a total distribution payment of the remaining account balance.

If you had elected the "lifetime installment payment" option, and the installments were based on your joint life expectancies, your spouse may continue receiving installments for his or her lifetime, may stop installment payments or may elect a total distribution payment of the remaining account balance.

When Someone Other Than Your Spouse is Your Primary Beneficiary

If you are not married or have designated someone other than your spouse as your primary beneficiary, the non-spouse beneficiary must take a total distribution of the account balance upon your death.

When Your Death Occurs After You Terminate Your Employment with The WSRC Team or WSMS

If you terminate your employment and defer the distribution of your SIP account **and** your death occurs **before** you request a distribution, then your beneficiary has certain payment options depending on the beneficiary's relationship to you. Your spouse beneficiary may continue to defer the balance or request a distribution with or without a rollover of taxable contributions. However, your non-spouse beneficiary must accept an immediate distribution with no rollover options.

Taxation of Distributions

Taxable distributions, whether they are withdrawals (including financial hardship withdrawals), lump sum amounts or installment payments, are subject to federal income, state income, and local income taxes.

The tax laws governing savings plans such as the SIP are complex and subject to change. While this description is based on the WSRC Team and WSMS's general understanding of current tax laws, you should consult a professional tax advisor before you make a withdrawal or receive a distribution from your plan accounts.

Federal Taxation Rules

There are three types of federal taxes that can affect a withdrawal or distribution from your SIP account: **income tax (ordinary and capital gains), 10% penalty tax, and 50% excise tax.**

Income Tax

Whenever you take money out of the plan, you may owe taxes to some degree. You will owe ordinary income tax on:

- Before-tax contributions,
- Rollover contributions,
- Company matching contributions, and
- All investment earnings in your plan accounts.

If you have made after-tax contributions to the plan, you have already paid income tax on those contributions. You will pay no additional tax when your after-tax contributions are paid out to you.

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The IRS imposes a 10% penalty tax to discourage early withdrawals.

10% Penalty Tax

Because a plan like the WSRC/BSRI Savings and Investment Plan is meant to be used to meet long-term retirement goals, federal law imposes a 10% penalty tax to discourage early withdrawal of funds from this type of plan. In general, the **10% penalty tax will apply to the taxable portion of any withdrawal or distribution from your plan account taken before you reach age 59-1/2.**

However, a 10% penalty tax will not apply if — and to the extent that:

- A distribution is made to you after age 59-1/2,
- A distribution is made due to your death or disability,
- A payment is made to an alternate payee under the terms of a "Qualified Domestic Relations Order" (QDRO),
- A distribution is made after retirement or separation from service on or after the date you reach age 55,
- You roll over the taxable portion of a distribution to an Individual Retirement Account or another employer qualified plan,
- The distribution is used for unreimbursed medical expenses — as defined by IRC Section 213 — that exceed 7.5% of your adjusted gross income,
- If substantially equal periodic payments are made in at least annual installments over the life (or life expectancy) of the participant or the joint lives of the participant and designated beneficiary.

50% Excise Tax

Under federal tax law, you must begin to withdraw your SIP account by April 1st of the calendar year following the calendar year in which you attain age 70-1/2 or retire, whichever is later. If you do not, you must pay a 50% excise tax on the amount that should have been withdrawn.

Federal Tax Withholding

The **taxable** portion of a rollover eligible withdrawal or distribution that is not directly rolled over to an Individual Retirement Account or another employer qualified plan is subject to an automatic **20% federal income tax** withholding requirement. This amount may not cover all the taxes you owe.

Forward Averaging Tax Treatment

Distributions paid in a single lump sum may be eligible for favorable forward averaging tax treatment.

Forward averaging allows you to pay taxes on your total distribution as if it were paid out over a 10-year period — if you were born before January 2, 1936 — reducing the taxes you owe. You may be able to use forward averaging once if you:

- Are at least age 59-1/2, and
- Have been a plan participant for at least five years.

See a tax consultant for further information on forward averaging.

Deferring Taxation of Your Distribution

You should be aware that you can defer current taxation by rolling over the taxable portion of a withdrawal or distribution (which is in excess of your after-tax contributions) into an Individual Retirement Account (IRA) or another employer qualified plan. You may roll over the combined balance of your before-tax contributions, Company matching contributions, any previous rollover contributions, and the earnings in each account. **The rollover must be made directly from this plan to the IRA or other employer qualified plan; otherwise, the taxable portion of the distribution will be subject to an automatic 20% withholding tax.**

If you wish to request a direct rollover of the taxable portion of a withdrawal or distribution to an IRA or other employer qualified plan, you must contact the SIP Service Center at 1-800-360-2SIP (2747) and speak with a Service Representative. ***Please note that once you initiate a distribution with a direct rollover, it cannot be changed or canceled.***

All distribution requests with direct rollovers received by 4:00 p.m. Eastern Time (or NYSE closing if earlier) of the last business day of the week will be included in the current week's processing. For example, if you make your request by 4:00 p. m. Eastern Time Friday, your account will be valued as the close of business on Friday. Your check(s) will typically be mailed the following Tuesday. You will receive advices attached to your checks for confirmation of your transactions. Please review these advices and report any discrepancies to the SIP Service Center immediately.

Your direct rollover check will be mailed to your address of record and be made payable to the trustee of your IRA or qualified plan. It will be your responsibility to forward that check to the trustee of your IRA or employer qualified plan.

State and Local Income Taxes

While **before-tax contributions** in South Carolina and Georgia are generally treated the same way as by the federal government, and are not taxed until they are distributed, some states and municipalities tax these amounts. Check with a tax consultant to see how the state or city in which you live treats the taxable status of before-tax contributions.

Your after-tax contributions come out of compensation that has already been taxed by your state or local government; however, the earnings on your after-tax contributions and company matching contributions and earnings are subject to tax when withdrawn and/or distributed.

Buy-Back of Forfeited Company Contributions

When you make a withdrawal that includes matched contributions, or you leave the WSRC Team or WSMS before you are vested, you forfeit your nonvested Company contributions. Under certain circumstances, you may buy back some or all of these contributions at a later date (if you are a plan participant).

Contact the SIP Service Center at 1-800-360-2SIP (2747) and speak with a Service Representative for more detailed information on buying back your Company contributions.

If You Work Past Age 70-1/2

The IRS no longer requires you to begin taking an annual distribution from your account by April 1 of the year following the year you reach age 70-1/2 if you are still working for the WSRC Team, WSMS or an Affiliated Entity.

How Other Benefits are Affected by SIP Participation

Some of the other Company plans, such as the WSRC/BSRI Pension Plan and Life Insurance plans, base benefits on annual pay. Those plans will continue to provide benefits based on your pay prior to the deduction of before-tax contributions. That way, the before-tax contribution feature has no effect on these other benefits.

Your contributions do not affect your other Company benefits or Social Security.

You will continue to pay Social Security taxes on your gross pay (including before-tax contributions). As a result, you will receive the same Social Security benefit as you would have received had before-tax contributions not been deducted.

Administration and Claims

To request a withdrawal, loan, fund reallocation, contribution amount change or information about your SIP account, you must contact the SIP Service Center at 1-800-360-2SIP (2747) or access your account through the Web site. By using your touch-tone phone, the Voice Response System (VRS) will guide you through all the details, including tax consequences. The Web site will guide you through the process but will not relate tax consequences.

Following your entries, you will have the opportunity to review and either accept or cancel your transaction. ***Please note that once you accept a transaction, it cannot be changed or canceled.***

The SIP Service Center will issue a *confirmation number* for each transaction processed through the Voice Response System (VRS). The Web site will also give you a *confirmation number*. Refer to that confirmation number for any questions related to that transaction.

The SIP is a daily valued plan. Consequently, withdrawals, loans, and distributions are valued as of the last business day of the week in which the request is made. Checks are generally issued 2 business days later. The amount of the withdrawal, loan or distribution does not receive any more earnings after the valuation date.

If a Claim is Denied

If benefits are denied under this plan, you or your beneficiary will receive a written notice within 90 days.

You have a right to appeal any denied claim. To appeal, you must send a written notice to the Plan Administrator. For more information, please refer to the Benefits Overview and General Information book.

Glossary of Helpful Terms

Affiliated Entities

In relation to each of the five companies — WSRC, BSRI, BNFL, BWXT, WSMS — their respective parent corporation and its affiliated corporations.

After-Tax Contributions

Contributions deducted from your pay which have already been taxed.

Before-Tax Contributions

Contributions that are deducted from your pay before federal income and most state income and local income taxes are deducted. Before-tax contributions reduce the amount of your pay subject to current federal income taxes and most state income and local income taxes. As long as these contributions and their investment earnings stay in the Plan, they will not be taxed. When these contributions and their earnings are withdrawn and not rolled over from the Plan, they will be subject to income taxes.

Beneficiary

The person or persons you choose to receive your account balance in the event of your death.

Company

The WSRC Team, or WSMS.

Eligibility Service

Service which determines when you are eligible for a benefit and includes recognized service with the WSRC Team, WSMS and Affiliated Entities.

Loan Term

The time required to pay back a loan.

Pay

"Pay" means projected earnings calculated during a particular pay period as follows:

- For non-exempt employees, base pay plus estimated shift differential (determined on the basis of pay rate, assigned shift schedule and projected working schedule) plus reactor certification pay.
- For exempt employees, base pay plus a supplement based on average holiday pay and on the normal projected working schedule, plus estimated shift and Sunday premiums, plus reactor certification pay.

Pay shall be calculated at the beginning of each pay period.

SIP

WSRC/BSRI Savings and Investment Plan.

SIP Service Center Phone Number/Address

1-800-360-2SIP (2747)

SIP Service Center Address:

WSRC/BSRI SIP Service Center
P.O. Box 291647
Nashville, TN 37211

SIP Web Site Address

https://online.metlife.com/401k/wsrc/

Total Distribution

A distribution of the entire account balance plus earnings.

Vesting

An employee becomes entitled to the Company matching contributions when he/she has completed three years of Eligibility Service with the WSRC Team and/or WSMS.

ERISA Information

As a participant in WSRC's, BSRI's, BNFL's, BWXT's or WSMS's benefits program, you are entitled to certain rights and protection under the Employee Retirement Income Security Act of 1974 (ERISA). The official Plan Document and trust agreement govern the operation of the WSRC/BSRI Savings and Investment Plan and payment of all benefits. For more information on this plan or your ERISA rights, refer to the Benefits Overview and General Information book.